



**STATE PASSENGER AIRCRAFT FLEET**

**From The Office Of State Auditor  
Claire McCaskill**

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# AUDIT REPORT



Office of  
Missouri State Auditor  
Claire McCaskill

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**State's passenger plane fleet is too large, not suited to state flight needs and run by four agencies, which creates costly inefficiencies and inconsistent flight practices**

This audit examined flights of the state's eight passenger planes operated by the Office of Administration (OA), Missouri State Highway Patrol, Department of Transportation (MoDOT), and the Department of Conservation. The main analyses included, but were not limited to, flights from January 1999 through December 2001 and reviewed plane use, costs, passengers, flight purposes, and payments of flight costs.

**Passenger plane fleet rarely fully used**

During 2001, the four plane-operating agencies never used all eight state-owned planes in the same day. On 85 percent of the 279 flight days, five or fewer planes flew in a day. On the thirteen days where the state used more than six planes in one day, agencies chartered planes for the extra flights instead of using other available state planes. On one day in 2001, none of the eight state planes flew, but OA flight officials chartered a non-state plane for a flight. (See page 11)

**Chartered flights increased, despite available state planes**

Agency officials have increasingly used chartered planes for flights when state planes were available. For 91 percent of the flights chartered by OA (106 flights) and Conservation (6 flights) in 2000 and 2001, at least one of the eight planes was available to handle the flight. The costs of these chartered flights were nearly twice the state plane price. For example, a \$2,094 chartered flight between St. Louis and Jefferson City could have cost from \$399 to \$916 on an available state plane. State officials provided four main reasons for increased charters: infrequent plane sharing between certain agencies, Highway Patrol's pilot restrictions, passenger preferences for pressurized planes, and limited use of OA's jet for short trips. (See page 13)

**Current plane fleet not well-matched to majority of flights**

The passenger planes in the state's fleet do not efficiently accommodate the majority of state's flight needs. Increased use of chartered pressurized planes to meet passenger preferences left state unpressurized planes unused and increased overall flight costs. In addition, audit analysis did not show a clear need for OA's Jet, the state's most costly aircraft. The jet is used most efficiently on longer flights without multiple stops, but the majority of flights are short, in-state trips with multiple stops. State officials originally bought the jet to "carry multiple passengers to central U.S. destinations." From 1999 through 2001, 84 percent of the jet's flights stayed in Missouri and 59 percent of the flights carried only three or fewer passengers. (See page 20)

YELLOW SHEET

### **Variety of passengers allowed on state planes due to no statewide policy**

Agencies have conflicting practices about non-state employees flying on state planes, partly because no statewide policy defines appropriate state plane passengers. Some agencies allow relatives and retired employees on state planes, while others strictly prohibit relatives and retirees on flights. For example, 24 percent of a former Conservation director's flights also transported one of his relatives, including his wife, daughter or father-in-law. In addition, relatives of upper-level Conservation management and commissioners, as well as retired state employees, also flew to various Conservation regional meetings and project dedications. Of the 73 state flights carrying employee relatives (not including the Governor's family) and retired state employees, 77 percent were Conservation flights. (See page 23)

### **"State business" reasons for some flights questionable**

In eight instances, Highway Patrol officials used state planes to fly state employees to attend funeral services for a patrol officer's parents, spouses, and siblings. Patrol officials said they made these flights to "lend support." In addition, Highway Patrol and MoDOT flew upper management to retirement receptions of state employees and commissioners. These flights included 38 patrol flights to receptions between 1999 and 2001; and 31 passengers on eight flights to five MoDOT retirement receptions between January 2000 and February 2002. These questionable flights occurred partly because no statewide policy defines an "appropriate" state business flight. Agencies also document flight purposes differently - or not at all - making it difficult to determine if agencies are always appropriately using state planes. (See page 31)

### **Significant costs dedicated to fly commissioners**

While Missouri has numerous state commissions, only Transportation and Conservation commissioners take state planes regularly to commission meetings and other commission-related business events. Between 1999 and 2001, the state spent over \$419,000 flying Transportation and Conservation commissioners, with average flight costs to a meeting totaling \$2,908 for Conservation, and \$3,776 for Transportation. In addition, costs for some commission meeting flights were much higher when planes flew to the same city multiple times in a day to accommodate commissioner schedules. (See page 34)

### **State flights funded by non-state entities**

To comply with Federal Aviation Regulations, only state agencies are allowed to pay for state flights. We noted four non-state entities have paid the state to use state planes including: Missouri Future Farmers of America (FFA), Missouri Bar Association, Hawthorne Foundation, and a legislative lobbyist. State agencies have circumvented federal regulations by scheduling flights for these entities, and then having the entity pay the state for the flight costs. For example, the FFA paid \$6,607 to the state for six flights scheduled through the Department of Elementary and Secondary Education. (See page 39)

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# STATE PASSENGER AIRCRAFT FLEET

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## STATE AUDITOR'S REPORT



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

Honorable Bob Holden, Governor  
and  
Members of the General Assembly  
and  
Jacquelyn D. White, Commissioner  
Office of Administration  
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We have audited the state's passenger aircraft fleet to determine if it is managed in the most cost effective, efficient, and consistent manner. The main audit analyses used flight data from January 1999 to December 2001, however auditors also reviewed some flights prior to January 1999 and some flights after December 2001. The scope of this audit included, but was not limited to, records pertaining to the eight state passenger transportation aircraft. The objectives of this audit were to:

1. Determine if the state passenger aircraft fleet is efficiently managed by the four plane-operating agencies.
2. Determine the extent of state aircraft use by non-state employees and these flights' state business purpose.
3. Review the main business purpose of state aircraft flights.
4. Review existing state policies and practices for use of state-owned aircraft.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed applicable state laws and regulations, contacted applicable personnel of various agencies, and reviewed certain records and documents.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The following report presents our findings arising from our audit of the state passenger aircraft fleet.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill  
State Auditor

December 20, 2002 (fieldwork completion date)

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## SCOPE AND METHODOLOGY



## STATE PASSENGER AIRCRAFT FLEET

### SCOPE AND METHODOLOGY

#### **Scope**

Our audit focused on passenger transportation costs of state-owned aircraft operated by four state agencies: Missouri Department of Transportation (MoDOT), Office of Administration (OA), Department of Conservation (Conservation), and the Missouri State Highway Patrol (Highway Patrol). We reviewed fleet and flight data information, policies and practices related to state plane use, costs, use of charter flights, passengers, and flight purposes. The audit's main analyses cover flight activity from January 1999 through December 2001, however, we also reviewed specific aspects of some flights from July 1996 through July 2002.

#### **Methodology**

We performed the following procedures to complete the audit objectives:

- Analyzed various aspects of 6,281 flights made by the four plane-operating agencies. These flights ranged from July 1996 to July 2002 depending on the agency's records. However, we focused primarily on flights from January 1999 through December 2001.
- Identified 9,090 passengers as state employees or non-state employees on 3,398 flights from January 1999 through December 2001 in OA and Conservation/MoDOT flight data. In addition, we categorized state employee passengers as statewide officials, cabinet directors, Governor's family, and boards/commission members. We categorized non-state employees as employee relatives and retired state employees.
- Interviewed personnel of the four plane-operating agencies and 28 other state agencies or entities who flew on state-owned aircraft during our review. Reviewed state travel regulations.
- Interviewed personnel of state flight operation units in Virginia, New Mexico, Illinois, Ohio, and Michigan about state plane practices and policies.
- Interviewed state and federal officials about the restrictions of the federal Department of Defense military surplus program under which the Highway Patrol obtained most of its planes.

#### **Flight Data and its Limitations**

We obtained flight data from the four plane-operating agencies in various formats. The OA, Conservation and MoDOT had electronic flight data, while the Highway Patrol only had paper records. Agencies with electronic data documented similar flight details including aircraft tailnumber, flight time, flight date, destination, pilot, number of stops, and some passenger names. But they documented some flight details differently, such as passenger names or flight

purposes. In addition, OA's flight data showed the flight costs billed to agencies. Each agency flight data had limitations, which affected the audit work and are noted below:

**Conservation Flight Data Limitations:** The electronic data did not indicate the name of all the passengers on each flight and did not indicate the flight's purpose. This information was available on paper manifests for flights after April 14, 1999. Auditors entered the paper manifests' information into a database for 1,843 flights.

**MoDOT Flight Data Limitations:** Many of MoDOT's flights were also recorded in the records of OA or Conservation. To make sure audit work did not count flights twice, auditors reconciled flights between these three databases. In addition, the majority of flight data named the lead passenger on the flight but did not indicate the names of the other passengers. For example, a flight would list "Hungerbeeler + 2". MoDOT officials could not locate the flight records to determine who the other passengers were on these flights.

**OA Flight Data Limitations:** The data did not include the flight's purpose, because OA does not require a documented purpose for each flight. In addition, we found discrepancies between flight costs in the database, the final billed costs and the exact payee. We alerted OA to these discrepancies and they corrected the electronic flight data.

**Highway Patrol Flight Data Limitations:** The Highway Patrol does not keep electronic flight data, but does keep paper records of flight requests and flight records. Using this information, auditors built an electronic database of 962 flights on the patrol planes used for passenger transportation. In the database, auditors entered information about the flight route, date and time, aircraft tailnumber, pilot, passengers, purpose, and if the flight requester considered the flight patrol business. In addition, patrol officials keep two flight logs, which are not reconciled. One log showed the flights requested and the second log recorded if the flight occurred. For example, if a flight is requested but canceled, the request manifest is not removed or noted as a cancellation in the flight request log. In addition, the flight records for flights before July 1999 were all destroyed, leaving no record to confirm if a flight actually occurred.

### **Hourly Flight Rates Differ by Agency**

The four plane-operating agencies do not have consistent standards in calculating hourly flight rates. In general, each agency divides a plane's operating costs by the number of hours flown in a year on that plane to determine the hourly flight rate. However, agencies widely differ on what to include in "plane operating costs." Fuel and maintenance costs are the only common items included by all agencies in the hourly rate calculation. However, each agency calculates maintenance cost differently. In addition to fuel and maintenance costs, each agency included various costs as described below:

**Highway Patrol** officials set hourly rates higher than what they consider as their hourly direct operating costs. In addition, these direct operating costs do not include pilot salary, pilot training, hangar expense, or administrative costs.

**Conservation** officials said their hourly rates reflect a plane's full operating costs, and factors in pilot salary, pilot training, hangar expense, aircraft insurance, use of Federal Aviation Administration charts, use of weather systems, and aircraft depreciation. This hourly rate calculation also applies to **MoDOT**, who co-owns a plane with Conservation.

**OA** officials set hourly rates less than what they consider full-operating costs. Included in their chargeable hourly rate are pilot salary, mechanics, administrative costs, and an engine reserve fund. In addition, they also charge a layover fee of \$40 an hour per pilot if a flight requires on ground waiting time away from Jefferson City. Finally, the charged rate may also differ depending on the passenger. For example, from March 1999 through July 2001, the Governor received a discount of \$40 per flight hour when using the Citation Jet and did not pay layover fees if only one pilot handled the flight.

## **Data Analyses**

We used the data as discussed above throughout the audit to conduct various analyses about state plane use, costs, use of charter flights, passengers, and flight purposes. The methodology on each of these analyses is explained in the corresponding report sections. Some analyses included flights costs, which are referred to throughout the report as either billed or estimated flight costs. In some analyses, both billed and estimated costs were used in the final summarized results. The cost categories are described below:

- **Billed flight costs:** These are flights flown through OA Flight Operations, which bills various entities for the flights. Flights costs are what the entity paid OA for the flight.
- **Estimated flight costs:** We estimated flight costs for flights flown through the other three plane-operating agencies. To calculate these costs we multiplied the flight time by the plane's hourly rate (provided to us by these agencies and described above) at the time of the flight. On flights in which OA Flight Operations provided "pilot service" on a MoDOT plane, we added the pilot service charge to the estimated flight cost to determine the total flight cost.

## RESULTS AND RECOMMENDATIONS

## STATE PASSENGER AIRCRAFT FLEET

### RESULTS AND RECOMMENDATIONS

#### **PART 1: Consolidating State Planes Could Increase Efficiency and Cut Costs**

Having four separate agencies manage the state's eight passenger planes is inefficient and has unnecessarily increased plane costs. These four agencies include the Missouri Department of Transportation (MoDOT), Office of Administration (OA), Department of Conservation (Conservation), and the Missouri State Highway Patrol (Highway Patrol). These agencies do not work together to use the state-owned passenger planes cost-effectively, rarely fully use the passenger plane fleet, and increasingly charter more expensive planes when state-owned planes are available. In addition, an analysis of passenger plane use indicates the passenger fleet is too large and not best suited to the most common state passenger travel needs.

#### **Background**

The four plane-operating agencies spent \$7.2 million in the last three fiscal years (July 1999 through June 2002) to operate the state's 30 aircraft. The operating costs include each agency's pilots, hangars, flight schedulers, and mechanics.

OA's Flight Operations unit is the only plane-operating agency which solely transports passengers. According to OA flight data, various agencies paid \$1.45 million to the OA for passenger transportation flights from January 1999 through December 2001.

The other three agencies transport passengers, but also have flights specific to each agency's mission. Some examples include airport inspections for MoDOT, deer telemetry or fire patrol for Conservation, and drug interdiction for the Highway Patrol. The chart below summarizes the current state-owned aircraft fleet and categorizes aircraft by passenger transport or mission specific.

**Table 1.1: State-Owned Aircraft Fleet**

<b>Agency</b>	<b>Total State-Owned Aircraft</b>	<b>Passenger Transport Aircraft</b>	<b>Mission Specific Aircraft</b>
Office of Administration	3	3	0
Conservation/Transportation	1	1	0
Conservation (only)	3	1	2
Transportation (only)	1	0	1
Highway Patrol	<u>22</u>	<u>3</u>	<u>19</u>
Totals	<u>30</u>	<u>8</u>	<u>22</u>

Source: Flight operations units of the four agencies listed above

Most analyses in this audit focused on the eight state planes used mainly for passenger transportation. Three of these eight passenger planes are planes with pressurized passenger cabins. Pressurized planes are usually faster, have a more comfortable, smoother and quieter

ride, and can quickly maneuver around bad weather situations. These planes include OA's Citation Jet, Highway Patrol's King Air 200, and the King Air 200 co-owned by Conservation and MoDOT. These pressurized planes are preferred or requested by many state passengers and used especially for upper-level state management, including statewide elected officials and commission members. The jet is considered the Governor's primary plane, but can be used by other agencies when available. The remaining five passenger aircraft are smaller planes with unpressurized cabins. These include OA's two Navajos, Highway Patrol's two Queen Airs, and Conservation's Twin Cessna. Hourly flight rates and other details of these eight state passenger planes are shown in the table below:

**Table 1.2: State-Owned Passenger Planes**

Agency	Aircraft	Tailnumber	Hourly Rate*	Pressurized Aircraft	Total Passenger Flights	
					2000	2001
OA	Citation Jet	100SM	\$665	X	151	140
OA	Navajo	300SM	\$420		143	130
OA	Navajo	500SM	\$420		151	132
Conservation/ MoDOT	King Air 200	128VT	\$530	X	115	205
Conservation	Cessna 402	402MC	\$232		139	164
Highway Patrol	King Air 200	2MP	\$550	X	57	120
Highway Patrol	Queen Air	103MP	\$160		58	27
Highway Patrol	Queen Air	116MP	\$160		80	92

Source: Flight operations units of the four agencies listed above

\*Hourly rates, shown above for fiscal year 2002, are the rates charged by the agencies for flights and do not reflect the actual costs of operating the planes. Hourly flight rates are discussed in more detail in the Scope and Methodology. Total estimated operating costs for OA's Citation Jet were \$1,270 an hour and \$530 an hour for the Conservation/MoDOT joint-owned shared plane. Total estimated operating costs were not available for the other planes.

The four plane-operating agencies have tried various scenarios of plane sharing and service exchanges to help with plane and pilot availability. An efficient plane fleet is the goal of OA Flight Operation's mission, which states: "To provide state agencies and elected officials with a cost effective and efficient mode of transportation for accomplishing their constitutional and mandated mission within geographical diverse locations."

In 2000, the state's Council of Efficient Operations evaluated the state plane fleet. Based on the council's recommendations, MoDOT sold two planes and Conservation sold one plane. Then, these two departments jointly purchased their own passenger plane. The council's report specifically stated other agencies and elected officials could use this joint-owned plane if it was not being used by Conservation or MoDOT. In addition, the report encouraged cooperation among agencies indicating:

"A multi-agency agreement aimed at maximizing the efficiency and cost effectiveness of passenger flight services for state personnel should be in force at all times. Usage policies should be established by each department with the OA responsible for developing comprehensive guidelines."

However, since the purchase of the joint-owned plane, plane sharing has decreased between OA and Conservation/MoDOT. These agencies are not requesting to use each others' planes. In addition, the Highway Patrol only allows patrol officers to pilot its planes, which has limited the use of Highway Patrol planes by other agencies. Both factors have increased plane use inefficiencies.

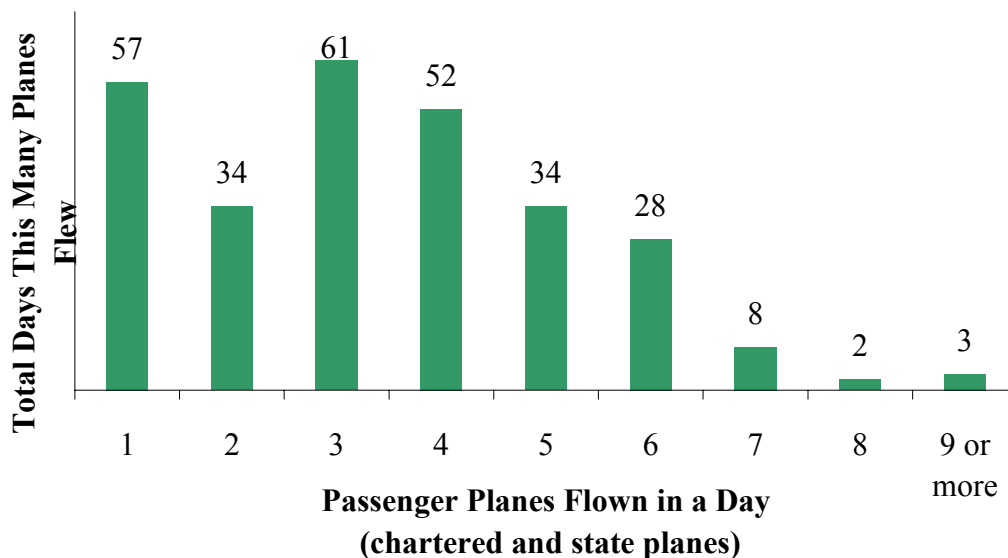
# 1. Passenger Plane Fleet Rarely Fully Used

Our review of flights during 2001 indicated the four plane-operating agencies never used all eight passenger planes in the same day. However, these agencies chartered planes which left available state-owned planes unused.

To complete this passenger plane use analysis, we combined the 1,073 flights on the eight passenger planes and the chartered flights into one database and analyzed how many planes flew on a specific day. The analysis used flight data from 2001, which was the first full year MoDOT and Conservation jointly owned a plane. This year gave the most accurate picture of plane use with the current plane fleet.

The analysis showed the eight passenger planes never all flew in the same day. On 85 percent of the 279 flight days, five or fewer planes flew in a day. Three or fewer planes flew in one day on more than half (54 percent) of these days. The chart below shows how often the state used a certain number of state and chartered planes in a day:

**Chart 1.1: Passenger Plane Use in 2001**



Source: SAO analysis of statewide flight data

Agencies only needed more than the eight state passenger planes on three days in 2001. Agencies used seven state planes in a day only three times in 2001, and never used more

then seven state planes in a day. On the thirteen days where the state used more than six planes in one day, agencies chartered planes for the extra flights instead of using other available state planes. For example, on both April 12 and October 24, the state chartered two planes and used six state planes.

Agencies also chartered flights on nearly half (20 of 41) the days they used more than five planes for passenger flights. On one day in 2001, none of the eight state planes flew, but OA flight officials chartered a non-state plane for a flight.

Our review of passenger plane use across the four plane-operating agencies for flights during 2000 and 2001 noted that the OA and its three passenger planes handled nearly 44 percent of the state's passenger flights. The Highway Patrol's three planes have flown less than half as many passenger flights as other agencies. On average, Highway Patrol planes each flew six flights monthly as compared to twelve flights monthly for OA planes or sixteen flights monthly for the Conservation/MoDOT joint-owned plane. One of the Highway Patrol's Queen Air passenger planes rarely flew, with 58 flights in 2000 decreasing to 27 flights in 2001.

**CONCLUSIONS:** State flight needs do not keep the state's eight passenger planes fully used, indicating the fleet is too large.

**WE RECOMMEND** the Governor, through the Office of Administration, review the overall use the state's passenger planes to determine how many and what kind of state planes are truly needed. Consideration should also be given to consolidating state plane passenger transportation under one coordinated unit to more efficiently use state resources.

### **AUDITEE'S RESPONSE**

*OA's Response: OA concurs. The Office of Administration will continue efforts to improve efficiency of the state passenger aircraft fleet. OA has announced plans to sell its three aircraft this fiscal year and replace with one aircraft better suited for current and projected flight demand. The Highway Patrol has also indicated its intent to sell one of its aircraft. OA is downsizing its staffing as well. Further consolidation efforts will be explored with the other agencies operating at the Jefferson City Airport.*

*Conservation's Response: The Department of Conservation operates four aircraft with four pilots, including one jointly owned and operated with MoDOT, as reported in the audit. The Department of Conservation's mission as stated in Section 40(a) "Constitution of Missouri" is "The control, management, restoration, conservation and regulation of the bird, fish, game, forestry and all wildlife resources of the state, including hatcheries, sanctuaries, refuges, reservations and all other property owned, acquired or used for such purposes and the acquisition and establishment thereof, and the administration of all laws pertaining thereto." An important tool used to accomplish this mission is represented by the Department's aircraft and pilots. Conservation planes are used in fish, forest and wildlife resource management, aerial surveys, law enforcement, employee transportation, fire detection and suppression, and*



research. In the years 1999-2001, the Department flew 1,820 flights totaling 4,963 hours. Resource management flights accounted for 2,994 hours, or 60 percent, of all flight hours during the audit period. Transportation of employees and Commissioners represented the remaining 1,969 hours, or 40 percent, of all flight hours. Conservation flight records from the last 15 years indicate that at least 60 percent of all flights made are for resource management, while 40 percent or less of all flights are for employee transportation. The Department of Conservation's planes experience high utilization as supported by statistics from 2001 in which the Department's aircraft flew 640 flights, totaling 1,638 hours, or an average of 2.6 flights per day.

As a result of a review of aircraft needs by the state's Council of Efficient Operations completed in 2000, the Conservation Department sold one plane and jointly purchased a passenger plane with MoDOT. This plane, along with the Department's other aircraft, are available to state agencies when they are not being used for Conservation purposes. Savings gained through consolidating state plane passenger transportation would cause increased costs and inefficiency for Conservation resource management. The Department has and will continue to cooperate with all state agencies to obtain the highest utilization of state-owned aircraft while carrying out its constitutional mandate.

## **2. Chartered Flights Increased, Despite Available State Planes**

The OA has increasingly used chartered planes for flights from 1999 to 2001. This increase occurred the same year Conservation and MoDOT officials jointly purchased a passenger plane. Specifically, OA chartered five flights in 1999, 50 flights in 2000, and 56 flights in 2001. Planes were chartered from private companies and Central Missouri State University. Often, agencies chartered planes and left several available state-owned planes unused.

To determine how often agencies chartered flights while state-owned planes were available, we compared the dates of the 112 flights chartered (106 by OA and 6 by Conservation) in 2000 and 2001 to the flight activity of the state's eight passenger planes. If a state-owned plane flew the same day of a chartered flight, we considered this state plane in use and unavailable to OA or Conservation. This consideration took a conservative approach since planes can handle multiple flights in a day. We then checked these "possibly available" dates with the agencies to consider maintenance issues, overnight trips, or other reasons making the plane unavailable.

We limited our analysis to 2000 and 2001 because Highway Patrol officials destroyed flight records up to June 30, 1999, which would have shown their planes' availability. The analysis is divided into three categories: 1) flights chartered on planes with any state plane available, 2) flights chartered on pressurized planes with state pressurized planes available, and 3) flights chartered on unpressurized planes with state unpressurized planes available. The results indicated:

- For 91 percent (102 out of 112 flights) of the flights chartered by OA and Conservation, at least one of the eight state-owned passenger planes was available

to handle the flight. In 79 percent (89 out of 112 flights) of these flights, two or more planes were available.

- Under certain circumstances and for particular passengers, both OA and Conservation have opted to charter pressurized planes instead of using an available unpressurized state plane. In comparing the flights chartered on pressurized planes to state pressurized plane availability, the analysis showed one of three state pressurized planes available for 64 percent (39 of 61) of these flights. In 18 percent (11 of 61) of these flights, two or more state pressurized planes were available for the flight.

### **Chartered Flights Cost Often Double the State Plane Price**

Flight costs totaled \$110,251 for the planes chartered by OA and Conservation in 2000 and 2001 when other state-owned planes were available.

Audit analysis indicated the state could save significant costs by using available state-owned planes in lieu of using a charter plane. These savings are considered conservative estimates since the hourly rates for state planes are affected by total flight hours of the plane. The more the plane flies increases the number of flight hours, which will ultimately lower the hourly rate charged for the plane's use. As a result, the state plane costs applied to these flights are higher than they would have been if these planes had logged the charter flight hours.

To determine the potential savings, we estimated state plane costs on several flights chartered when a state plane was available. Cost estimates included the average flight time of a state plane to the charter flight destination multiplied by the state plane's hourly rate on the flight date. At various dates, the hourly rate for state planes ranged from \$160 for the Highway Patrol's Queen Airs to \$705 (from February to July in 2001) for OA's Jet. We compared these estimated costs to actual charter flight costs in three categories: 1) 65 charter flights when any state plane was available, 2) 29 charter flights on unpressurized planes when a state-owned unpressurized plane was available, and 3) 21 charter flights on pressurized planes when a state-owned pressurized plane was available. The potential savings are shown in the chart below:

**Table 1.3: Possible Costs Saved if Available State Planes Used**

<b>Charter Flights Analyzed</b>	<b>Types of Planes Chartered</b>	<b>Total Charter Costs</b>	<b>Available State Plane Costs</b>	<b>Cost Savings</b>	<b>Percentage of Cost Savings</b>
65	Pressurized and Unpressurized	\$61,503	\$33,102	\$28,401	46
29	Unpressurized	\$23,030	\$14,639	\$8,390	36
21	Pressurized	\$22,577	\$17,673	\$4,904	22

Source: SAO analysis of statewide flight data

Overall, the available state planes were less expensive than chartered planes, even when OA chartered Central Missouri State University's (CMSU) King Air 90 at a cheaper hourly rate than the three state pressurized planes. OA chartered CMSU's plane for \$450 an hour, while hourly rates for the three state pressurized planes were \$530 for the Conservation/MoDOT's King Air, \$550 for the Highway Patrol's King Air, and \$665 for OA's Jet. Despite the higher hourly rate, the flights on the CMSU's plane often cost more because the flight time started from take off in Warrensburg. As a result, agencies paid for the time CMSU needed to fly to the passenger pick up point, which was often Jefferson City.

The state paid nearly twice as much as it needed to charter planes to Kansas City and St. Louis when state planes were available, as shown below:

**Table 1.4: Costs of Charter Flights Versus Available State Planes**

Destination	Number of Chartered Flights	Total Charter Costs	Available State Plane Costs	Percentage of Cost Savings	Average Charter Cost	Average Available State Plane Cost
Kansas City	13	\$11,551	\$5,863	97	\$889	\$451
St. Louis	20	\$16,923	\$8,290	104	\$846	\$414

Source: SAO analysis of statewide flight data

The above chart includes several examples of specific flights in which the state could have significantly reduced costs. Two of these flights are detailed below:

- **\$2,094 charter flight from St. Louis:** The state paid for a chartered flight to fly a Transportation Commissioner to Jefferson City from St. Louis. Five other state planes were available on this flight date, including all three of OA's passenger planes. However, this commissioner preferred a pressurized plane and required two pilots on any flight. OA chartered a King Air at \$995 an hour, even though OA's pressurized jet at \$705 an hour and the Highway Patrol's pressurized King Air at \$550 an hour were both available. This flight could have cost \$916 on OA's jet or \$841 on the Highway Patrol's King Air and kept the passenger in a pressurized plane. The cheapest available state plane would have cost \$399 on the Conservation's unpressurized passenger plane (at \$191 an hour).

Two factors contributed to the higher cost for flying the charter flight. The charter flight required payment for a minimum of 1.5 flight hours, even though this flight took less than half (0.7 hours) that time. In addition, the requirement of a second pilot cost an additional \$350 per day. The cost of a second pilot is nearly the cost of the entire flight on the Conservation's smaller passenger plane.

- **\$1,317 charter flight to Kansas City:** The state paid for a chartered flight to fly the Governor, Treasurer, and three staff members between Kansas City and Jefferson City. Five other state planes were available on this flight date, including two other pressurized planes. The hourly rates on the available state planes

ranged from \$160 to \$550. Although the chartered plane's hourly rate was \$450, the flight time charged for the charter flight is generally higher due to the flight starting from Warrensburg instead of Jefferson City. This flight could have cost \$621 on the Highway Patrol's King Air or \$694 on the Conservation/MoDOT's King Air and kept the passengers in a pressurized plane. The cheapest available state plane would have cost \$294 on a Highway Patrol's unpressurized passenger plane (at \$160 an hour).

### **Reasons Agencies Chartered Planes Instead of Using Available State Aircraft**

Interviews with Conservation and OA staffs produced four main reasons these agencies use charter planes even if a state-owned plane is available: 1) little, if any, plane sharing between Conservation and OA, 2) Highway Patrol's pilot restrictions, which limit full use of its planes, 3) passenger preferences for larger, pressurized planes, and 4) limited use of OA's jet for short trips, except for the Governor.

#### **Reason 1: Limited Plane Sharing Between Conservation and OA**

Although the two agencies shared planes on a rare basis in the past, plane sharing has basically stopped since MoDOT and Conservation jointly purchased a pressurized King Air in May 2000. Conservation officials said they would fly flights for agencies other than themselves and MoDOT, but they have not yet handled a flight for OA on the joint-owned plane. OA flight staff said they have never asked Conservation if they could use the joint-owned plane for a flight.

Past plane sharing included OA using Conservation's unpressurized passenger plane for six flights from July 1998 through December 1999. Conservation used OA's planes six times from July 1998 through December 1999. No plane sharing has occurred between the two agencies since 1999.

Of the 106 flights OA chartered in 2000 and 2001, either the joint-owned plane or Conservation's second unpressurized plane could have handled 49 of these flights (or 46 percent). The joint-owned plane could have handled 15 of the chartered flights, including 10 flown on chartered pressurized planes.

Of the six flights Conservation chartered in 2000 and 2001, OA had a plane available for all of these flights. Conservation charters were all pressurized planes, in which case, OA's pressurized plane was only available for one chartered flight.

#### **Reason 2: Highway Patrol's Pilot Requirement Restricts Use of its Planes**

Although the Highway Patrol will and has flown other agencies on its three passenger planes, patrol officials require the pilot be a patrol officer.

Patrol officials initially cited the Department of Defense's Law Enforcement Support Program under which they acquired the planes as one reason for restricting pilots to patrol officers. However in July 2002, Department of Public Safety officials reviewed the status of the military surplus planes and said the Highway Patrol has "permanent, unrestricted ownership" of these three passenger planes.

In December 2002, Highway Patrol officials said requiring a patrol officer to pilot patrol planes is now more of a liability issue. For example, Highway Patrol officials questioned which agency would pay for repairs on a patrol plane damaged while flown by another agency's pilot. In addition, in the case of a law enforcement emergency, officials indicated that patrol planes need to be available. "There is a point to having a plane sitting there and waiting to be used on short notice. You never know when you're going to need the plane . . . You catch some guy with a load of marijuana and they need the King Air and they need it now," said a Department of Public Safety official.

The Highway Patrol already regularly flies planes for other agencies. About 36 percent of the flights on the Highway Patrol's King Air in 2000 and 2001 were for other agencies. During 2000, 60 percent of the King Air flights were for other agencies.

Although, the Highway Patrol flies planes for other agencies, the pilot requirement has restricted the use of the patrol's planes by other agencies. Few weekend or overnight flights can be scheduled on patrol planes, or flights forcing a patrol pilot to incur overtime hours. As a result, the patrol's planes often sit in the hangar, while other agencies are chartering or renting aircraft to handle flights as shown below:

- Audit tests showed the Highway Patrol flew less than half as many passenger flights as the other agencies. The Highway Patrol planes averaged six flights each a month in 2000 and 2001 as compared to twelve flights each a month for OA planes or sixteen flights a month for the Conservation/MoDOT joint-owned plane.
- Of the 112 flights OA and Conservation chartered in 2000 and 2001, at least one Highway Patrol plane was available for 100 (89 percent) of those flights. The patrol's pressurized plane was available for 61 of the flights OA chartered, and on 31 of these charter flights, OA specifically rented a pressurized plane.

### **Reason 3: Passenger Preference for Specific Planes Forced Charters**

Both Conservation and OA staff said they sometimes charter planes to accommodate a passenger's preferences for a pressurized aircraft, which are faster, and have a more comfortable, quieter ride. For example, OA indicated a

Transportation commissioner will not fly on anything but a pressurized plane. Two former Transportation commissioners also preferred a pressurized plane and two of these commissioners required two pilots on the flight, according to MoDOT staff. Conservation chartered pressurized planes for commissioners when Conservation's unpressurized passenger plane was available to meet the commissioners' preferences. In addition, OA tried to keep the Governor on a pressurized plane. Despite preferences for pressurized planes, Transportation and Conservation commissioners, including those mentioned above, have flown on 132 flights in unpressurized aircrafts from 1999 through 2001.

The three agencies owning the pressurized planes do not always work well together to most efficiently use these planes. OA and Conservation/MoDOT do not share pressurized planes while Highway Patrol requires patrol officers to pilot its planes. As a result, state officials chartered planes to accommodate passenger preferences instead of using available state planes. In some instances, the state chartered planes even when state pressurized planes were available to suit such passenger preferences.

- Conservation and OA spent \$24,566 (\$16,493 by OA and \$8,073 by Conservation) chartering 21 (15 by OA and 6 by Conservation) pressurized planes to fly Conservation, Transportation, and Mental Health Commissioners, when other state planes were available.
- On almost all of these flights (20 out of 21), more than one state plane was available to handle the flight. In more than half of these flights (12 of 21), at least one pressurized state plane was available for the flight.

#### **Reason 4: Limited Use of OA's Jet for Short In-state Trips**

OA staff said they limit flying the jet on short in-state trips with multiple landings, except for the Governor. One staff member said taking the jet on short in-state trips causes faster wear, leads to higher maintenance costs, and is "economically infeasible." According to the OA's division director over aviation, the jet requires an expensive engine overhaul once it has flown 3,500 flights hours or 3,500 cycles (takeoffs and landings). Flight staff is concerned about balancing the rate of flight cycles to the flight hours. Cycles have exceeded flight hours by a two to one ratio during the last two years due to more frequent short, in-state trips, the division director said.

As a result, if a passenger prefers a pressurized plane and the jet is available, OA will often choose to charter a pressurized plane and save the wear on the jet for the Governor's flights. The OA's jet was available for 16 of the 106 flights OA chartered in 2000 and 2001. On 9 of these 16 flights, OA chartered a pressurized plane and did not use the jet.

Our analysis of the estimated jet costs on 6 of these 9 flights found the state paid \$7,788 to charter planes, when it could have paid \$4,749 to use the available jet at a savings of 39 percent.

**CONCLUSIONS:** The four-plane operating agencies do not fully coordinate state passenger transportation needs. As a result, agencies charter more expensive aircraft to handle each agency's specific needs, while available state planes sit unused. Consolidating plane operations under one coordinated unit would decrease the need and extra costs involved with chartered planes. Allowing qualified pilots from other plane-operating agencies to fly its plane would free up the Highway Patrol planes for more frequent and efficient use.

**WE RECOMMEND:**

- A. The Governor, through the Office of Administration, require plane-operating agencies to check availability of state planes in all agencies before chartering outside aircraft. Consideration should also be given to consolidating state plane passenger transportation under one coordinated unit to more efficiently use state resources.
- B. The Highway Patrol free up its planes for more statewide use by allowing qualified pilots other than state patrol officers to fly its planes.

**AUDITEE'S RESPONSE**

*OA's Response to A:* OA will work with the other agencies to require verification of non-availability of all appropriate state-owned aircraft before chartering planes. OA will continue to support efforts to improve the efficient operation of state aircraft whether through greater coordination or consolidation.

*MoDOT's Response to A:* When MoDOT books flights on state planes, we first contact Conservation, as they handle scheduling for the jointly owned plane. If that plane is unavailable, we contact OA. It has been our understanding that OA books the most economical flight available. In the future, we will ask OA to ensure no appropriate state plane is available before they recommend a charter flight. It is important to recognize, however, that a non-pressurized plane may not always be the appropriate choice. Passenger health considerations, such as heart and sinus conditions, sometimes dictate the use of a pressurized plane.

*We have no objection to other state agencies using the jointly owned plane when it is not in use.*

*Conservation's Response to A:* The Department will continue to check the availability of state planes before chartering outside aircraft. In addition, the Department will continue to make aircraft available for flights by other agencies when they are not being flown for conservation business.

*The most efficient utilization of aircraft for Conservation resource management needs and employee transportation is represented in the current flight operations which include a jointly-owned and operated aircraft with MoDOT.*

*Highway Patrol's Response to B: The Patrol is currently in the process of changing its policy to allow other qualified pilots to fly the Patrol's Beech Craft KingAir 200. The Patrol's KingAir is a military version of the civilian KingAir. While the airplanes basically fly the same, the avionic panels and some critical flight controls are somewhat different on the military version. The Office of Administration has tentatively agreed to send at least one of their pilots to transition training for the military version of the KingAir. Upon completion of this training the OA pilot would be allowed to fly the Patrol's KingAir.*

<b>3. Need for Jet is Questionable</b>
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Audit analysis did not indicate a clear need for owning and maintaining OA's Citation Jet which is the state's most costly aircraft. In addition to chartering flights when the jet was available, the jet is also not being used as originally intended.

The state purchased the \$3.27 million aircraft in 1998 for in-state and out-state trips, with the Governor as the priority passenger. Reasons for purchasing the jet included lower maintenance costs, a safer flight in adverse weather, and better service on long-range flights. In addition, the State Aircraft Purchasing Committee's memo indicated the jet would allow OA "to cost effectively carry multiple passengers to central United States destinations."

Our review indicated the jet rarely flew to "central United States destinations" other than Missouri cities and seldom carried large numbers of passengers. In addition, the jet is used most efficiently on longer flights where it can fly higher and faster and does not have multiple stops. According to OA officials, the jet on short, in-state trips has higher fuel consumption and trips with multiple stops cause the jet to wear faster, which increases maintenance costs. However, the normal state flights are the short in-state trips with multiple stops. Our review indicated the following for the jet's 410 flights from 1999 through 2001:

- 84 percent of the flights were in Missouri. The majority of those flights (65 percent) had only one destination. The destination was mainly Kansas City or St. Louis.
- 16 percent of the flights were out-of-state trips.
- The jet only flew at its full seven passenger capacity on 14 flights. Approximately 59 percent of the jet flights carried passengers at less than half of the jet's passengers capacity by carrying only one to three passengers.



In addition, 93 percent of all state flights through OA (not just jet flights) were in Missouri. Of these in-state flights, 42 percent of the flights had two or more stops.

### **Jet Compared to Other State Pressurized Planes**

The state's two other pressurized planes offer passenger capacity similar to the jet, take only a few minutes longer to reach the most common jet destinations, are far cheaper to operate, and are used more efficiently on short, in-state trips with multiple stops. OA officials emphasized the safety factor in a comparison of the two plane types. The comparisons showed:

**Capacity:** Full capacity on the jet is seven passengers, the same as the joint-owned plane, and one less passenger than the Highway Patrol's plane.

**Flight Times:** On average, the joint-owned plane took approximately five minutes longer and the Highway Patrol's plane took approximately four minutes longer to reach some of the jet's more popular destinations. For example, OA's jet took an average of 51 minutes to reach St. Louis' Bi-State airport, as compared to 54 minutes on the joint-owned plane and 61 minutes on the Highway Patrol's plane.

**Operating Costs:** OA's jet is the most expensive state plane to operate, with full operating costs estimated by OA at \$1,270 an hour for fiscal year 2002. Conservation officials estimated operating costs at \$530 an hour for its joint-owned King Air. In addition, OA has traditionally made the jet more affordable to agencies by never charging the jet's full operating costs. Current jet hourly rates are \$665 which is only 52 percent of the aircraft's actual operating costs.

Audit analysis determined the state could have saved between 40 to 47 percent in flight costs if the jet's flights were on the joint-owned plane or the Highway Patrol's King Air. This flight cost comparison estimated the cost of 132 jet flights to common destinations which included Kansas City, St. Louis, Springfield, Cape Girardeau, Sikeston, Joplin, and Lee's Summit. To estimate flight costs, we multiplied each King Air's average flight time to these destinations by the plane's hourly rates. We used the full operating cost for the jet flight rates. These estimates did not include layover time logged by the pilot. Results indicated the average jet flight cost approximately 1.9 times more than the Highway Patrol plane, and 1.7 times more than the joint-owned plane. Overall results are shown below:

**Table 1.5: Cost Comparison for Jet versus State's King Airs**

Plane Type	Agency	Flights Analyzed	Estimated Flight Costs	Cost Savings Percent	Average Flight Cost
Citation Jet	OA	132	\$145,040	N/A	\$2,201
King Air 200	Highway Patrol	132	\$ 76,294	47	\$1,156
King Air 200	Conservation/ MoDOT	132	\$ 86,371	40	\$1,307

Source: SAO analysis of statewide flight data

**Safety:** OA officials justified buying and retaining the jet partly because of the plane's safety record. Officials explained the jet can lose an engine after take off and not crash, unlike a King Air.

Despite the safety comparison, however, OA staff chose to charter CMSU's King Air to handle eight flights even when the jet was available. If the jet was not available, OA increasingly used CMSU's King Air to transport several statewide elected officials and commissioners.

OA officials have been reevaluating overall flight operations. Auditors discussed the need for the jet with OA officials in mid-December. Later, the Governor approved plans to sell the jet and make other changes to the state's plane fleet.

**CONCLUSIONS:** Current jet use does not match the use originally intended by state officials. Other state-owned pressurized planes, which are less expensive to operate and are better for shorter, in-state trips and multiple stops, would serve state flight needs more efficiently.

**WE RECOMMEND** the OA pursue the authority to sell the jet and to develop a state-owned plane fleet that is consistent with the state's needs and uses.

### **AUDITEE'S RESPONSE**

*OA's Response: We concur. Prior to the meeting with audit officials in mid-December, OA had concluded that changes to the aircraft fleet, including the trade of the jet, was necessary due to changing flight demand. OA has issued an RFP to sell the state jet along with two other aircraft and replace them with one turboprop aircraft better suited for the current and projected flight demand.*

## STATE PASSENGER AIRCRAFT FLEET

### RESULTS AND RECOMMENDATIONS

#### **PART 2: Who is Allowed on State Planes Varies Widely by Agency**

Having no statewide policy defining appropriate state plane use by non-state employees has allowed agencies to create conflicting rules and practices on who flies on state-owned planes. For example, employee relatives or retired state employees on state flights is a common practice for some agencies, while other agencies prohibit such passengers.

This section of the audit assessed how often non-state employees traveled on state-owned planes without specific state business purposes. On the majority of these flights, the non-state employee used state planes for official state business. Examples include federal fish and wildlife officials flying with state conservation employees and University of Missouri medical students on a rural medical team. However, in some cases, the state business purpose for some passengers was not appropriate. In addition, no statewide policy exists to define who is or is not allowed on state planes.

#### **Inconsistent State Plane Passenger Practices**

Our review indicated 530 non-state employees flew on 352 flights from January 1999 through December 2001. These non-state employees did not include members of state boards or commissions. The passenger totals in this analysis are not the number of unique individuals on these flights. For example, if the same passenger flew 50 flights, their name is counted 50 times in the passenger totals. Of these 352 flights, 55 flights carried 62 relatives of employees (not including the Governor's family); and 18 flights carried 21 retired state employees or former commission members. The majority of the relatives and retirees flew on Conservation flights.

**Analysis methodology:** To complete the passenger analysis, we identified 9,090 passengers (state employee or non-state employee) on 3,398 flights from January 1999 through December 2001. These flights originally came from OA and Conservation/MoDOT flight data, which included all flights on OA and Conservation planes, including the Conservation/MoDOT joint-owned plane and two Conservation mission specific planes. Complete passenger information for Conservation/MoDOT flight data was not available until April 15, 1999, the date the department began retaining passenger records. Both sets of flight data also included passenger information on flights flown for other agencies on Highway Patrol planes. This data did not include passenger information on MoDOT flights before May 2000 when the department sold its planes and purchased the joint-owned plane with Conservation. MoDOT officials could not provide records indicating the passengers on its planes. In addition, this data did not include passenger information on Highway Patrol flights for patrol officials.

In identifying passengers, we considered several passengers in the state employee category even though they were not paid a state salary. These individuals included:

**State board and commissioner members**, including Transportation and Conservation commissioners. State laws and the state constitution require coverage of travel costs for Transportation and Conservation commissioners.

**Governor's spouse and children**, who are expected to attend various state functions as the "First Family."

In identifying non-state employees, we included passengers on planes for state business reasons including student athletes, medical students, federal conservation, natural resources, and transportation officials. Non-state employee passengers also included members of the U.S. Congress and their staff, state contracted consultants, and lobbyists.

The chart below provides a more specific breakdown of the state employee and non-state employee categories. State employee categories include commissioners, cabinet directors, statewide elected officials, and members of the Governor's family. The chart also indicates the results of non-state employees, employees' relatives, and retired employees. For more detailed information of flight use by statewide elected officials and department directors, see the Appendix.

**Table 2.1: Passenger Category Breakdown 1999-2001**

<b>Passenger Type</b>	<b>Number of Passengers</b>	<b>Number of Flights</b>
Commissioners	785	527
Statewide elected officials	597	565
Cabinet directors	430	421
Governor's family	102	83
Non-state employees	530	352
Employees' relatives	62	55
Retired employees	21	18

Source: SAO analysis of OA and Conservation flight data

### **Conservation Spouses, Relatives, and Retirees Fly More Than Other Agencies**

In specifically analyzing employee spouses and retired state employees traveling by state plane, we noted the majority of these occurrences on Conservation flights. Of the 55 flights carrying 62 relatives, 74 percent (or 41 flights) were Conservation flights. Similarly, of the 18 flights with retired state employees, 83 percent (or 15 flights) were Conservation flights.

### **Relatives on Flights**

Conservation officials bring relatives of Conservation commissioners and upper-level department management on plane flights to various Conservation activities. Although some other agencies have flown spouses, it occurred infrequently compared to Conservation practices.

Relatives of the previous Conservation Director accompanied him on 24 percent of his state flights from January 2000 through February 2002. Many of these flights traveled to and from St. Louis or Kansas City airports to drop off passengers for a commercial flight. In specific, the director's wife accompanied him on 19 flights, his daughter on two flights, and his father-in-law on one flight. Some of these state plane travels included:

- Six days in Denver, Colorado with his wife for the Society for Range Management Conference and to meet with the Colorado Deputy Director. The plane flew them to and picked them up from their commercial flight at Kansas City International Airport. Total estimated flight costs were \$1,272.
- Five days in Baton Rouge, Louisiana with his wife and four department staff to attend the Southeast Association Fish and Wildlife Conference. The plane flew to Baton Rouge. Total estimated flight costs were \$4,829.
- Four days in Memphis, Tennessee with his wife for an Upper Stream Low Water Inspection with the Corps of Engineers. The plane flew to Memphis, but picked up the couple in Cape Girardeau, after they took a Corps of Engineers boat up the Mississippi River. Total estimated flight costs were \$1,017.
- Four days in Washington D.C. with his daughter to make contacts regarding the federal Conservation and Reinvestment Act legislation, as well as meet with Conservation fund staff. The plane flew them to and picked them up from their commercial flight at St. Louis Lambert Airport. Total estimated flight costs were \$470.
- One day in Kansas City with his father-in-law for a Discovery Center meeting. The plane flew to Kansas City. Total estimated flight costs were \$762.

Wives of other Conservation employees joined the director and his wife on several flights including these examples:

- Four days in Venice, Louisiana for the American Sport Fishing Association conference. A division administrator and his wife also flew on this flight. The plane flew them to and picked them up from their commercial flight at Kansas City International Airport. Total estimated flight costs were \$790.

- Three days in St. Paul, Minnesota for a midwest director's meeting. The department's assistant director and his wife also flew on this flight. The plane flew to St. Paul. Total estimated flight costs were \$1,908.

For several project dedication ceremonies and ribbon cuttings, relatives accompanied Conservation commissioners and employees on state planes to these events. Some of these examples include:

- Five flights on four planes and one helicopter flew 27 passengers, including two spouses and a guest, to Nevada for the dedication of the Four Rivers Conservation Area. Spouses and guests included wives and guests of department leaders and a commissioner. Total estimated flight costs were \$5,800.
- Three planes flew 14 passengers, including three spouses and one guest, to Springfield for the Wonders of Wildlife ribbon cutting ceremony. Spouses and guests included wives and guests of the director, deputy director, and commissioners. Total estimated flight costs were \$2,621.
- One plane flew a Commissioner, her two grandchildren, and two employees of Kansas City Power and Light to Marshall to dedicate the Bluebird Trail. Total estimated flight costs were \$470.

Finally, a Conservation commissioner's wife accompanied him on nine flights to and from four commission meetings and one foundation board meeting.

On occasion, relatives of employees from other agencies flew on state flights, but infrequently in comparison to Conservation. These flights with employee spouses included two flights with the MoDOT department director and his spouse, five flights with the spouse of a University of Missouri Vice Chancellor/Dean and one flight each with the Director of Agriculture, State Treasurer, and a Transportation commissioner and their spouses. Total estimated flights costs for these ten flights were \$12,986.

### **State Retirees on Flights**

The majority (15 of 18) of the flights flying retired state employees involved Conservation. Our analysis of passenger information indicated the University of Missouri as the only other agency flying retired employees.

Conservation's eight retired employees included four former commissioners, a former commission secretary, and three former employees, including a former department director. The former commissioners had not served on the commission from two to almost twelve years when these commissioners flew on Conservation's flights. The former commissioners' wives also often flew on these flights. Of the four retired University of Missouri employees, two were former curators and two were former professors. Examples of flights carrying retired passengers included:

- A former Conservation employee who retired ten years ago flew to Kitchner, Ontario with four current employees to attend a Midwest Deer and Turkey meeting. Conservation officials indicated the retired employee was flown to the meeting as a "recognized expert" on turkey management due to his "distinguished professional career" in state turkey restoration efforts. Total estimated flight costs were \$1,544.
- A former Conservation department director, former commission secretary, and former commissioner and his wife flew with three current employees to St. Joseph for a commission meeting and a reception honoring two departing commissioners. Total estimated flight costs were \$526.
- A former Conservation commissioner, whose term ended more than eleven years ago, flew on four flights from December 2000 to March 2001. The former commissioner attended Heritage Foundation Board meetings, donation meetings, and a Nature Conservatory Conference in Excelsior Springs. Conservation officials said he represented the department and the Missouri Conservation Heritage Foundation to "help secure private donations for future conservation projects" jointly funded by Conservation and the foundation. Total estimated flight costs were \$3,593.
- A former University of Missouri curator flew with a dean, a dean's wife, and three other employees to New Madrid for an annual curators dinner and MU-AES Delta Center Field Day. Total estimated flight costs were \$938.

### **Agency State Plane Passenger Policies, Practices Conflict**

One reason non-state employees often fly for some agencies and not for others is because there is not a statewide policy to define who is allowed to fly on a state-owned plane. As a result, agencies create their own policies which conflict with each other regarding non-state employee plane passengers.

All four plane-operating agencies allow non-state employees as passengers, but the definition of an "appropriate state business purpose" for non-state employees varies widely. The agencies who fly state planes through OA do not have separate passenger policies, but many made specific statements as to passenger practices.

Federal aviation regulations followed by the four plane-operating agencies do not specifically restrict non-state employees from flying on state planes. The four plane-operating agencies all fly under Part 91 of the federal regulations, which regulates corporate aviation and aviation operations using a common treasury, such as Missouri's state treasury. Flights units operating under Part 91 cannot charge entities, passengers, or even "quasi"-governmental entities for a flight.

The following summarizes the non-state employee passenger practices or indicates a specific written policy for the four plane-operating agencies and other entities using state planes.

**Conservation officials** said relatives are allowed and sometimes expected on their state flights because of their interpretation of "state business purpose." Officials said the agency holds several events including ribbon cuttings, museum openings, or dedications in which an employee's spouse is expected to attend. Conservation compared these social/community events to similar practices in the private business world. "If an employee is going on a plane for a business purpose, then that relative is going for the same business purpose," said a Conservation official. The question should be the state business purpose of the flight and not who is on the plane, the official added.

Retirees or former commission members were often included on flights because of previous involvement with a project being dedicated or still being active with the department. "We take everybody that needs to be at an event to an event," a Conservation official said. To explain why a retiree, who left the department over ten years ago, flew by plane to Canada for a Deer and Turkey meeting, a Conservation official said he "is the grandfather of turkey restoration."

Conservation officials indicated flying these passengers on flights is not an extra cost to the state since the plane is already flying to a particular spot. Conservation officials also explained they are different than other agencies partly because they have their own fleet of 3.5 planes. "We have the aircraft available to do this, that's the difference."

A non-state employee who is going to travel on a Conservation plane must receive written permission from the department director, which is handled through the director's administrative assistant. If the non-state employee passenger is associated with the director, permission is sought through the Conservation Commission.

**MoDOT officials** recently rewrote (June 2002) the department's vehicle fleet policy. Airplanes were included in the definition of vehicles. The new policy states:

"Non-employee passengers are prohibited in department vehicles if they are traveling for non-official department business unless written authorization for such travel has been requested from, and granted by, the chief operating officer or chief engineer."

Because of the new policy, department leaders recently denied an employee's request to bring a spouse on a state flight. However, MoDOT officials indicated there may be a social situation where a spouse is expected. This would require



written approval from one of the top three department leaders. It was unclear who would authorize the flights with the spouses of these top three department leaders.

**OA officials** did not have a written policy restricting plane uses by non-state employees, such as spouses or family members. OA would take non-state employees as passengers if they are on state business and the flights are for certified state functions. An "agency representative" on the flight is responsible for assuring the passengers are flying for state business by signing a flight manifest, which states:

"This flight is conducted in accordance with part 91 of the Federal Air Regulations and is for the sole purpose of conducting official business for the State of Missouri. Only state officials, state employees or other persons conducting official business for the State of Missouri are permitted to fly aboard this aircraft."

**The Highway Patrol's** plane policy manual addresses non-state employees by indicating "Civilians are authorized to fly in Patrol aircraft only on official state business and in compliance with General Order 41-01."

**Other agencies with specific passenger practices:** In addition to the four plane-operating agencies, we contacted 28 state entities (agencies, University of Missouri, statewide elected officials, commissions, and divisions) about general plane policies and specific passenger practices. Sixteen of the entities indicated either they do not plan to or have not had non-employees on state flights. Twelve of the entities indicated they allowed non-employees on planes if they were conducting state business or directly related to state business, such as members of state boards and commissions or hired consultants.

Opinions about whether employee spouses or relatives should be allowed on state planes ranged from never allowed to allowed because of no extra cost to the state:

- **The Department of Social Services** staff stated: "It would be very unusual that a spouse would ride on a state plane, unless the spouse was also an employee, and had a business reason to travel. To my knowledge, we have not had this situation arise."
- **The State Treasurer's office** said having the Treasurer's spouse on a state flight did not cost the state extra because the Treasurer was already using and paying for the plane.
- **The Department of Mental Health** staff said flying additional passengers with employees or commissioners "is not an acceptable practice."

- **The Department of Natural Resources** staff indicated no family members or guests have ever joined department personnel because these flights are for state business only.

**CONCLUSIONS:** No uniform statewide policy exists for defining appropriate state plane use by non-state employees which has allowed agencies to create conflicting rules and practices on who flies on state planes. As a result, some agencies readily allow passengers, such as employee relatives or retirees, while other agencies prohibit such passengers.

**WE RECOMMEND** the Governor, through the Office of Administration, develop state policies and procedures regarding the use of state-owned planes by non-state employees. This policy should limit the use of state planes to passengers specifically on state business.

### **AUDITEE'S RESPONSE**

*OA's Response: OA concurs. We will develop a statewide policy that clearly establishes appropriate use by non-state employees.*

*MoDOT's Response: MoDOT is sensitive to the cost and purpose of state flights, as well as state plane use by non-employees. MoDOT staff has been reviewing plane usage and is working on a written policy that addresses concerns such as those raised by the State Auditor. In addition, at the February meeting, the Commission's Audit Committee directed MoDOT's internal auditors to review the department's flight policies and procedures and make recommendations as necessary. MoDOT will use the staff and internal audit recommendations, as well as the information provided by the State Auditor, to improve controls over state plane use and make decisions regarding the extent of plane use in the future. We also volunteer to work with OA on statewide issues identified in this audit.*

*Conservation's Response: Department policy states that non-Department personnel may travel in Department aircraft on scheduled flights with Commission or Department employees if space is available, provided that non-Department personnel travel is related to the Department's Mission. All such travel will be approved by the Commission Chairperson or Director. Spouses or relatives accompanied Commissioners or Department employees in accordance with this policy on 2 percent of the 1,820 Conservation flights reviewed by the Auditor from 1999-2001. The Department incurred no additional cost on the flights that included spouses or relatives as they flew on a space available basis.*

## STATE PASSENGER AIRCRAFT FLEET

### RESULTS AND RECOMMENDATIONS

#### **PART 3: Which Flight Purposes Are "State Business" Conflict Among Agencies**

Questionable "state business" reasons for several state flights occurred throughout the four plane-operating agencies. With no overall statewide policy defining appropriate state flight purposes, each agency has created its own conflicting definitions. In addition, the purposes for numerous flights went undocumented, making it impossible to determine the appropriateness of such flights.

This section analyzed the reasons for using state planes, including a review of the most common flight purposes, as well as questionable flights. As with the passenger analysis, the majority of flights had appropriate state business purposes, although some flights were not a reasonable use of state resources. In addition, agencies document flight purposes differently - or not at all - which makes it difficult to determine if agencies are always appropriately using state planes.

<b>1. Questionable Flight Purposes</b>
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State-owned planes were used to fly state employees to attend funerals for relatives of state employees and retirement receptions for state employees or commission members. Flights for such purposes are a questionable use of state resources. These flights are occurring partly because no statewide policy exists to define an "appropriate" state business flight.

#### **Flights to Funerals of State Employee Relatives**

We noted eight instances where the Highway Patrol flew various employees to attend funerals of employees' relatives. Relatives included an officer's parents, spouse, or brother. Patrol staff said they made these flights "to lend support" and as a "camaraderie-type issue." For two such flights, the flight purpose on the manifest indicated "non-patrol" business. Patrol staff said flights for these purposes have not occurred since late 2001, partly because of the restricted state budget. In addition, an OA flight flew state senators to the funeral of a state senator's father.

#### **Flights to Employee Retirement Receptions**

Flying upper management to retirement receptions of state employees and commission members is a common practice for the Highway Patrol and MoDOT. During January 1999 to December 2001, the Highway Patrol's top management flew 38 flights to attend receptions of retiring patrol staff.

- Estimated flights costs for 28 of these flights totaled \$12,972. We could only estimate costs for the retirement reception flights after June 30, 1999, because flight records had been destroyed up to that date.
- On average, these flights carried four passengers, with the Colonel on 24 of these flights. On five of these flights, six or more passengers were on the plane.
- Most retirement receptions were held at various Troop headquarters where the patrol officer was assigned. However, some receptions were held at the casinos where the patrol officer was assigned.
- The documented purpose for one flight noted the event was a "surprise" and "they plan to have cake."
- A July 2001 flight carried five passengers to Springfield for a morning retirement coffee and then to Lee's Summit for an afternoon retirement reception.
- In August 2000, a patrol plane stopped in Kansas City to pick up four staff members to attend a retirement reception in St. Joseph, about 55 miles away from Kansas City.

Patrol officials said flights for retirement receptions stopped in late 2001, which coincided with a change in patrol top leadership. When the new colonel took over, "he just made us all take a different approach to this," said a patrol official. "I don't remember the last time a flight was made to a retirement."

MoDOT officials routinely flew multiple flights to attend dinners for departing Transportation commissioners, and sometimes employees. Between January 2000 and February 2002, department officials paid an estimated \$7,688 for eight flights with 31 passengers to attend five retirement receptions. MoDOT officials considered these flights appropriate state business to recognize these commissioners, who each served six years, and to recognize some employees for their "significant contribution to the state." The table below shows the number of flights, total passengers, and total costs to attend these five receptions.

**Table 3.1: Flights for MoDOT Retirement Receptions**

Event Date	Flight Purpose	Total Flights	Total Passengers	Total Flight Costs
5/23/2000	Retirement reception for Assistant Chief Engineer of Design	2	1	\$882
6/16/2000	Departing commissioner's farewell dinner	2	10	\$2,377
4/26/2001	Retirement reception for district engineer	1	7	\$572
10/24/2001	Departing commissioner's reception	2	8	\$2,691
2/28/2002	Departing commissioner's reception	1	5	\$1,166

Source: SAO analysis of OA, Conservation, MoDOT, and Highway Patrol flight data.

**CONCLUSIONS:** No uniform statewide policy exists for defining "appropriate state business" for state flights which has allowed numerous questionable flights to occur. It is not an efficient or appropriate use of state resources to take state planes to funerals of employee relatives or to retirement receptions for departing employees or commissioners.

**WE RECOMMEND** the Governor, through the Office of Administration, develop statewide policies and procedures to ensure state flights are appropriate state business. In addition, agencies flying for purposes noted above should discontinue these flights.

#### **AUDITEE'S RESPONSE**

*OA's Response: Although it is difficult to identify in a policy all instances where a flight's purpose can be deemed "appropriate state business", we will develop a statewide policy that clarifies the criteria to be met in making such a determination.*

*MoDOT's Response: MoDOT is sensitive to the cost and purpose of state flights, as well as state plane use by non-employees. MoDOT staff has been reviewing plane usage and is working on a written policy that addresses concerns such as those raised by the State Auditor. In addition, at the February meeting, the Commission's Audit Committee directed MoDOT's internal auditors to review the department's flight policies and procedures and make recommendations as necessary. MoDOT will use the staff and internal audit recommendations, as well as the information provided by the State Auditor, to improve controls over state plane use and make decisions regarding the extent of plane use in the future. We also volunteer to work with OA on statewide issues identified in this audit.*

*Conservation's Response: The Conservation Commission supports policies to ensure the use of state planes is always for official state business.*

*Highway Patrol's Response: With the change of administration in June 2001, the Patrol has ceased using the personnel transport aircraft to fly personnel to retirement receptions and funerals. Administrative meetings attended by the Colonel and his staff, time sensitive criminal investigations, and meetings with local, state, and federal officials are all functions that are considered official state business. Using a cost benefit comparative analysis, the Patrol should*

*make the decision to drive or fly based on the results of the analysis, not on the false perception that driving is more efficient.*

## **2.**

### **Flights for Commission Members**

Our review indicated significant state resources dedicated to flying governor-appointed commission members to commission meetings held across the state. While Missouri has numerous state commissions, Transportation and Conservation commission members are the only commissioners receiving regular flights to commission meetings and flights for other commission-related business. On occasion, members of ten other commissions, serving in a voluntary capacity, used state planes.

Coverage of commissioner travel costs is provided in state statute for the six Transportation commissioners and in the state constitution for the four Conservation commissioners:

For **Transportation** commissioners, Section 226.030, RSMo 2000 states: "The members of the commission shall receive as compensation for their services twenty-five dollars per day for the time spent in performance of their official duties, and also their necessary traveling and other expenses incurred while actually engaged in the discharge of their official duties."

For **Conservation** commissioners, Article IV, Section 40(a), Constitution of Missouri states: "Members shall receive . . . their necessary traveling and other expenses incurred while actually engaged in the discharge of their official duties."

Transporting commissioners, who are appointed from various cities across the state, can mean multiple flights crisscrossing the state to gather all members for commission meetings. For example, current Transportation commissioners are from Kansas City, Kirkwood, Moberly, Crystal City, Springfield, and Hayti; while Conservation commissioners are from Kansas City, Cape Girardeau, St. Louis, and Bonne Terre. Transportation averaged about 4.3 flights for commissioners for each commission meeting while Conservation averaged 3.5 flights for commissioners for each such meeting.

The requirement to cover transportation costs for these two commissions is one reason MoDOT and Conservation jointly-purchased a plane in May 2000. Flight data indicated about 45 percent (157 of 350) of the flights on the joint-owned plane between May 2000 and February 2002 carried commissioners as passengers. The operating agreement between the two agencies for the joint-owned plane states: "Commission travel will be top priority for the respective monthly Commission meeting dates." For flights other than commission meetings, the priority list puts commissioners first, then department directors, Conservation's deputy director, and MoDOT's chief operating officer and chief engineer.

## Commissioner Flight Cost Analysis

The table below shows the cost of transporting Transportation and Conservation commissioners on any state plane or charter flights to attend regular commission meetings. The table only includes flights with commissioners and does not include the flights bringing various department staff to the meetings. The table also indicates the amount spent for flights with commissioners for business outside regular monthly meetings. Purposes for these flights ranged from state business such as a bill signing ceremony to farewell dinners for departing commissioners.

**Table 3.2: Costs for Commissioner Flights, 1999-2001**

<b>Commission</b>	<b>Number of Meetings Analyzed</b>	<b>Average Meeting Cost</b>	<b>Commission Meeting Flight Costs</b>	<b>Non- Meeting Flights Costs</b>	<b>Total Commissioner Flights Costs</b>
Conservation	30	\$2,908	\$87,241	\$67,171	\$154,412
Transportation	39	\$3,776	\$146,656	\$117,954	\$264,610

Source: SAO analysis of OA, Conservation, MoDOT, and Highway Patrol flight data

## Inefficient Flight Routes to Accommodate Commissioners

Some flight costs for some commission meetings in both departments were much higher than the average meeting cost. One Transportation commission meeting (November 4-5, 1999) cost \$10,966 for eight flights to and from Cape Girardeau. One Conservation commission meeting (April 19-20, 2001) cost \$6,217 for five flights to and from Poplar Bluff. For many of these meetings, planes went to the same city multiple times in a day to accommodate commissioner schedules. Our review found inefficient and costly flight routes for six Conservation commission meetings in 2000 and 2001, and similar, but less frequent, flight routes for Transportation commission meetings. Examples are shown below:

- For the March 2001 Conservation commission meeting in Lake Ozark, a plane flew to Kansas City to pick up a commissioner while a second plane flew to St. Joseph (about an hour's drive away from Kansas City) to pick up a second commissioner. Both flights had only one passenger and cost an estimated \$825 and \$953, respectively. Total estimated flight costs for this meeting were \$3,494.
- For the April 2001 Conservation commission meeting in Poplar Bluff, a plane flew two flights to the Kansas City area. The first flight picked up two commissioners - one in St. Joseph and another in Kansas City - and then took them to Poplar Bluff for an estimated cost of \$1,207. The same plane later flew back to Kansas City from Poplar Bluff to take a third commissioner to the Poplar Bluff meeting for an estimated cost of \$1,843. Total estimated flight costs for this meeting were \$6,217.
- For the May 2001 Conservation commission meeting in Lebanon, a plane flew two flights to the Kansas City area. The first flight picked up two commissioners,

picking up one commissioner in St. Joseph and another in Kansas City for an estimated cost of \$953. The same plane later flew back to Kansas City to pick up another commissioner for an estimated cost of \$953. Total estimated flight costs for this meeting were \$4,760.

- For the December 2001 Transportation commission meeting in Kansas City, one plane picked up a commissioner after the meeting to take the commissioner back to Moberly for an estimated cost of \$900 while a second plane was chartered to pick up a second commissioner after the meeting to take the commissioner back to St. Louis for an estimated cost of \$1,120. Total estimated flight costs for these meetings were \$6,789.

Both MoDOT and Conservation officials said these inefficient flight plans occurred because they work hard to accommodate the commissioners' schedules. Both departments said these commissioners are busy private business people who are providing a service to the state at little to no cost. "When you're dealing with a voluntary board, that's the nature of the beast," a Conservation official said, while also adding that their commissioners can do a better job with the ability to get from one meeting to another on a moment's notice.

### **Personal State Flight for Commissioner**

In January 2000, a Transportation commissioner flew on a state plane to Memphis, Tennessee for personal business after state meetings forced him to miss his commercial flight. The cost of this flight was \$1,252. MoDOT officials said they flew the commissioner from St. Louis to Jefferson City, at the Governor's request, to participate in the Governor's Conference on Transportation and a House Transportation Committee meeting. Both events were on short notice and did not allow enough time for a return flight to St. Louis for the commissioner to catch his personal flight to Memphis. As a result, OA flew the commissioner in the state jet to Memphis.

**CONCLUSIONS:** State plane-operating agencies work hard to accommodate commissioner schedules when planning transportation to meetings. However, this effort is more costly to the state and results in an inefficient use of state planes, particularly when the planes often travel to the same city within hours of each other to accommodate a commissioner's schedule.

**WE RECOMMEND** MoDOT, Conservation, and the Governor, through the Office of Administration, reevaluate the costs and necessity of regularly providing state plane transportation to members of voluntary commissions. In addition, agencies scheduling commissioner flights and the commissioners should work together to avoid inefficient flight routes.



### **AUDITEE'S RESPONSE**

*OA's Response: We will propose a meeting with MoDOT and Conservation officials to evaluate the costs and necessity of regular plane transportation to members of voluntary commissions and determine how the services that are provided can be better coordinated.*

*MoDOT's Response: MoDOT is sensitive to the cost and purpose of state flights, as well as state plane use by non-employees. MoDOT staff has been reviewing plane usage and is working on a written policy that addresses concerns such as those raised by the State Auditor. In addition, at the February meeting, the Commission's Audit Committee directed MoDOT's internal auditors to review the department's flight policies and procedures and make recommendations as necessary. MoDOT will use the staff and internal audit recommendations, as well as the information provided by the State Auditor, to improve controls over state plane use and make decisions regarding the extent of plane use in the future. We also volunteer to work with OA on statewide issues identified in this audit.*

*Conservation's Response: Conservation Commissioners serve without compensation by providing hundreds of hours of volunteer time. They provide direct representation for all areas of the state. In addition to their volunteer duties as Commissioners, these dedicated individuals are fully engaged in professions of their own. The efficiency of travel by plane has enabled these Commissioners to attend more than 90 percent of all Conservation business meetings. Efforts are routinely made to efficiently schedule Commissioners' flights; however, there are occasions in which other commitments require schedules be adjusted to enable Commissioners to carry out their official duties for the benefit of the Department of Conservation.*

<b>3. Documenting Flight Purposes</b>
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The four plane-operating agencies document flight purposes differently or do not document purposes, which makes it difficult to determine if agencies are "appropriately" using state planes. The Highway Patrol, MoDOT, and Conservation required flight purpose documentation for each flight. However, OA Flight Operations, which handled nearly half of the state passenger transportation for most other state agencies, did not require documentation of a flight's purpose.

To analyze flight purposes, we reviewed 178 flights for 25 state agencies between July 1998 and March 2002 who flew through OA and asked the agencies for the state business reason for each flight. Of these 178 flights, agencies could not give a purpose for four flights, either due to poor records or no records from a previous administration. Many of the flights we found with "questionable" purposes have already been mentioned in this report.

Audit interviews with all 28 agencies using OA planes indicated various methods were used to document flight purposes. Eight of the 28 agencies did not document state business purposes. Of those agencies tracking purposes, the documentation was very inconsistent. For example, agencies documented purposes on an employee's expense

account, in a schedule of activities, on a purchase order, or in an e-mail, which may or may not be retained.

In addition, even though the Highway Patrol, MoDOT, and Conservation all require a documented flight purpose, we noted several instances among these three agencies with no purpose given or a purpose too vague to assess the flight's "state business purpose."

We requested more information from Conservation and MoDOT officials on the initial flight purpose given for 39 flights. Some of these initial purposes included one word descriptions including "retirement" for a MoDOT district engineer's retirement party and "reception" for a departing commissioner's farewell dinner.

Flight requests and flight logs for Highway Patrol flights did not document a flight purpose for 27 flights. In addition, some of these purposes were vague and not sufficiently detailed. For example, 22 flights listed "meeting" as the purpose, 12 flights listed "relay" as the purpose, and 2 flights had "relay for meeting" listed as the purpose. Also, some flight purposes just indicated the location of a gathering with no reason provided. Some examples were, "relay to Chubby's Restaurant," "Alan Hines Restaurant," or "Christmas Luncheon."

**CONCLUSIONS:** The lack of accurate and consistent documentation of flight purposes makes it difficult to determine if planes are always used appropriately.

**WE RECOMMEND** the Governor, through the Office of Administration, require all plane-operating agencies to document a state business purpose for each flight.

### **AUDITEE'S RESPONSE**

*OA's Response: We have begun requiring flight purposes to be obtained for all flights scheduled through OA and will work with the other agencies to document this information.*

*MoDOT's Response: MoDOT is sensitive to the cost and purpose of state flights, as well as state plane use by non-employees. MoDOT staff has been reviewing plane usage and is working on a written policy that addresses concerns such as those raised by the State Auditor. In addition, at the February meeting, the Commission's Audit Committee directed MoDOT's internal auditors to review the department's flight policies and procedures and make recommendations as necessary. MoDOT will use the staff and internal audit recommendations, as well as the information provided by the State Auditor, to improve controls over state plane use and make decisions regarding the extent of plane use in the future. We also volunteer to work with OA on statewide issues identified in this audit.*

*Conservation's Response: All flights are documented as to the conservation business purpose for which they are made.*

## STATE PASSENGER AIRCRAFT FLEET

### RESULTS AND RECOMMENDATIONS

#### **PART 4: Flight Billings and Approval**

Only state agencies are allowed to pay for state flights to comply with Federal Aviation Regulations, but we found instances of non-state entities paying for flights on state planes. In addition, the process to schedule and approve a state flight is inconsistent statewide, and in many cases, non-existent.

<b>1. State Flights Funded by Non-State Entities</b>
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Our review indicated four non-state entities have paid the state for the use of state planes, which violates Federal Aviation Regulations. These entities were the Missouri Future Farmers of America (FFA), Missouri Bar Association, the Hawthorne Foundation, and a legislative lobbyist.

The four plane-operating agencies all fly under Part 91 of the federal regulations, which regulates corporate aviation and aviation operations using a common treasury, such as Missouri's state treasury. Flight units operating under Part 91 cannot charge entities, passengers, or even "quasi"-governmental entities for a flight, according to a regional counsel for the Federal Aviation Administration. The state can charge flight costs to state agencies within the common treasury. A state agency representative has to sign a flight manifest to ensure the flight is "in accordance with Part 91 . . . and is for the sole purpose of conducting official business for the State of Missouri." However, beyond the flight manifest, OA did not have a specific policy requiring compliance with Part 91.

State agencies have circumvented this federal regulation by scheduling flights for these entities, and then having the entity pay the state for the flight costs. The non-state entities reimburse the state agency that paid for the flight or pay OA Flight Operations directly for the flight. Examples of these flights include:

**The Missouri Future Farmers of America** paid \$6,607 to the state for flights scheduled through the Department of Elementary and Secondary Education (DESE) for six flights on state planes from January 1999 to January 2002. In addition, the FFA paid \$4,400 to the state for a January 2001 charter flight scheduled through DESE. The FFA is a separate non-profit organization and is not considered part of the state of Missouri. Regarding one of these flights, DESE officials explained:

"Annually, the National chapter of FFA comes to Missouri and we organize regional meetings so the folks can visit with the local regional FFA chapters. The plane was used so that the National folks can get to as many regional meetings as possible during the time they have allotted to

visit Missouri. These are student seminars where approximately 2,000 FFA kids attend. The only folks on the plane are FFA folks and college FFA chapter national officers. No DESE staff is included on the plane and the FFA pays for the trip. No state funds are used to pay this bill."

**The Missouri Bar Association** paid \$2,527 to the state for a flight scheduled through the Supreme Court to fly the Chief Justice and his wife to Branson to attend the July 2002 Board of Governors meeting of the Missouri Bar Association. The Missouri Bar Association is an organization representing the lawyers of Missouri, and all lawyers who practice in Missouri are required to belong to it.

**The Hawthorn Foundation** paid \$731 to the state for a flight scheduled through the Department of Economic Development to fly the Governor and four staff members to St. Louis to attend a Hawthorn Foundation Board Meeting. Hawthorn paid for the flight due to scheduling conflicts with the Governor. The Hawthorne Foundation is a nonprofit, nonpartisan, tax-exempt organization formed to assist Missouri's public and private economic development efforts.

**A Legislative lobbyist** paid \$178 to the state for his share of an \$888 flight to Cape Girardeau scheduled through the Senate. The lobbyist flew with four state senators to attend the funeral of a former senator in February 2000.

**CONCLUSIONS:** State officials allowed non-state entities to use state planes and pay for state flights, which violates Part 91 of the Federal Aviation Regulations. In addition, no statewide policy exists to ensure compliance with these federal regulations.

**WE RECOMMEND** the Office of Administration discontinue allowing non-state entities to pay for state flights and develop a policy to ensure compliance with Federal Aviation Regulations Part 91.

### **AUDITEE'S RESPONSE**

*OA's Response: As a matter of policy and in accordance with FAR Part 91, we do not allow non-state agencies to pay OA for flights. To the extent this may have happened in the past, we will redouble efforts to communicate this policy prohibition to state agencies scheduling flights. We will develop a statewide policy requiring all state flight operations to comply with appropriate federal regulations.*

<b>2. State Plane Use Approval</b>
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The four plane-operating agencies do not have a uniform method for approving state flights and no statewide policy exists requiring supervisory approval of state plane flights. As a result, each agency or elected official creates their own approval practices.

State travel regulations only require approval for all out-of-state travel, including out-of-state flights on state-owned aircraft.

The four plane-operating agencies handled flight approval very differently, with OA Flight Operations not requiring any flight approval to schedule an aircraft. These requirements are:

**OA** did not require passengers to provide proof of approval to schedule their planes. Any person identifying themselves as a state employee could schedule a flight on a state plane through OA. OA pilots required all passengers to present state identification before boarding the aircraft if the OA officials did not already know the passengers. OA only required state employees to verify, through signing a waiver, that the flight is for state business and the names listed on the manifest are correct.

**Conservation** required employees to have approval of a division administrator. All upper management employees are not required to have approval.

**MoDOT** required approval by a business unit director for employees to fly on its aircraft.

**Highway Patrol** did not require any approval by its employees for routine flights (troop meetings and other law enforcement meetings), but does require approval on non-routine flights by employees on its aircraft. Patrol flight requests include a section for "flight approved."

Without an overall statewide approval policy, other state agencies, which do not operate planes but use planes, have each created their own policy. In contacting the 28 agencies flying on state planes from January 1999 to December 2001, approximately 18% (5 of 28) did not have procedures for approving in-state flights, but more than 82% (23 of 28) did have procedures for approving out-of-state flights. Overall, less than 18% of agencies have a specific policy regarding state aircraft use.

**CONCLUSIONS:** No uniform statewide policy exists for employees to seek and document supervisory approval for their flight requests.

**WE RECOMMEND** the Governor, through the Office of Administration, develop statewide policies and procedures for proper documentation of supervisory approval of state flights.

### **AUDITEE'S RESPONSE**

*OA's Response: OA agrees that all flights should be properly approved by the requesting agency. We will institute appropriate and reasonable policies to that effect.*

Conservation's Response: *The Department will continue to require employees to obtain approval in advance from division administrators for all flights.*

## APPENDIX

## APPENDIX

### Flights and Flight Hours for State Leaders

This appendix indicates the number of flights and the number of flight hours by calendar year for statewide elected officials and directors of state departments.

State Position	Number of Flights and Flight Hours							
	1999		2000		2001		Total	
	Flights	Hours	Flights	Hours	Flights	Hours	Flights	Hours
<u>Statewide Elected Officials</u>								
Governor	87	109	97	123	117	177	301	409
Lt. Governor	7	5	7	14	9	24	23	43
Secretary of State	11	18	16	32	7	18	34	68
State Auditor	3	3	2	5	0	0	5	8
State Treasurer	29	50	10	13	5	12	44	75
Attorney General	62	115	76	110	52	86	190	311
<u>Cabinet Department Directors</u>								
Administration*	5	5	4	5	3	7	12	17
Agriculture	5	12	7	12	14	29	26	53
Conservation*	37	63	49	73	36	62	122	198
Corrections	1	2	3	5	1	1	5	8
Economic Development	31	57	19	25	29	47	79	129
Education	21	34	9	21	2	4	32	59
Health	0	0	1	2	4	13	5	15
Higher Education	4	5	0	0	2	3	6	8
Highway Patrol*	51	43	49	87	48	85	148	215
Insurance	0	0	0	0	1	2	1	2
Labor Industrial Relations	0	0	0	0	0	0	0	0
Mental Health	1	3	8	16	0	0	9	19
Natural Resources	0	0	0	0	0	0	0	0
Public Safety	2	3	7	11	7	11	16	25
Revenue	0	0	2	2	0	0	2	2
Social Services	0	0	2	4	3	5	5	9
Transportation*	83	132	60	94	55	92	198	318

Source: SAO analysis of OA, Conservation, MoDOT and Highway Patrol flight data

\* Indicates plane-operating agencies